



General Assembly

***Amendment***

*January Session, 2007*

LCO No. **7878**

**\*HB0718207878HDO\***

Offered by:

REP. FONTANA, 87<sup>th</sup> Dist.

REP. WILLIAMS, 68<sup>th</sup> Dist.

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To: Subst. House Bill No. **7182**

File No. 706

Cal. No. 547

***"AN ACT CONCERNING CERTIFIED COMPETITIVE VIDEO SERVICE."***

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- 1 In line 466, strike "Each" and insert "The Department of Public
  - 2 Utility Control shall not require a" in lieu thereof
  - 3 In line 467, strike "shall not be required"
  - 4 In line 468, strike "be required to"
  - 5 In line 651, strike "drop" and insert "outlet" in lieu thereof
  - 6 In line 745, strike "A" and insert "The Department of Public Utility
  - 7 Control shall not require a" in lieu thereof
  - 8 In line 746, strike "shall not be required"
  - 9 In line 747, strike "be required to"
  - 10 In line 894, strike "drop" and insert "outlet" in lieu thereof

11 After the last section, add the following and renumber sections and  
12 internal references accordingly:

13 "Sec. 501. (NEW) (*Effective October 1, 2007*) (a) There is established an  
14 account to be known as the "municipal video competition trust  
15 account", which shall be a separate, nonlapsing account within the  
16 General Fund. Interest earned on said account shall be credited to said  
17 account. The account shall contain any moneys required by this section  
18 to be deposited in the account.

19 (b) (1) Not later than the last day of the month succeeding the last  
20 quarterly return due date for each fiscal year for the tax imposed under  
21 sections 12-256 and 12-258 of the general statutes, as amended by this  
22 act, with respect to certified competitive video service, the first five  
23 million dollars of the tax due under said sections for such fiscal year as  
24 a result of the tax imposed on gross earnings from certified  
25 competitive video service shall be deposited in said account for  
26 purposes of distribution as property tax relief to the towns, cities and  
27 boroughs of the state. The amount to be distributed to each town from  
28 said account shall be a proportional part of the total amount of such  
29 distribution determined with respect to each town by the following  
30 ratio: The total number of subscribers to certified competitive video  
31 service located in such town at the end of such fiscal year shall be the  
32 numerator of the fraction, and the total number of subscribers to  
33 certified competitive video service located in all towns in this state at  
34 the end of such fiscal year shall be added together, and the sum shall  
35 be the denominator of the fraction. (2) Any city or borough not  
36 consolidated with the town in which it is located and any town  
37 containing such a city or borough shall receive a portion of the amount  
38 allocated to such town under subdivision (1) of this subsection on the  
39 basis of the following ratio: The total property taxes levied in such  
40 fiscal year by such town, city or borough shall be the numerator of the  
41 fraction, and the total property taxes levied in such fiscal year by the  
42 town and all cities or boroughs located within such town shall be  
43 added together, and the sum shall be the denominator of the fraction.  
44 Any such city or borough may, by vote of its legislative body, direct

45 the Secretary of the Office of Policy and Management to reallocate all  
46 or a portion of the share of such city or borough to the town in which it  
47 is located.

48 (c) Not later than the fifteenth day of the month succeeding the last  
49 quarterly return due date in each fiscal year for the tax imposed under  
50 sections 12-256 and 12-258 of the general statutes, as amended by this  
51 act, with respect to certified competitive video service, the Secretary of  
52 the Office of Policy and Management shall certify to the Commissioner  
53 of Revenue Services the amount of property taxes payable for the  
54 preceding fiscal year as required for the ratio under subdivision (2) of  
55 subsection (b) of this section.

56 (d) Not later than August 15, 2008, and annually thereafter, the  
57 Secretary of the Office of Policy and Management shall certify to the  
58 Comptroller the amount of payment to be made to each municipality  
59 from said account in accordance with this section and the Comptroller  
60 shall draw the Comptroller's order on the Treasurer not later than the  
61 twenty-fifth day of August in the same year. The Treasurer shall pay  
62 the respective amount to each municipality in accordance with this  
63 section on or before the thirtieth day of August in the same year.

64 Sec. 502. Section 12-256 of the general statutes is repealed and the  
65 following is substituted in lieu thereof (*Effective October 1, 2007*):

66 (a) For purposes of this section, "quarterly period" means a period of  
67 three calendar months commencing on the first day of January, April,  
68 July or October and ending on the last day of March, June, September  
69 or December, respectively.

70 (b) Each person operating a community antenna television system  
71 under chapter 289 or a certified competitive video service pursuant to  
72 sections 2 to 12, inclusive, of this act and each person operating a  
73 business that provides one-way transmission to subscribers of video  
74 programming by satellite shall pay a quarterly tax upon the gross  
75 earnings from (1) the lines, facilities, apparatus and auxiliary  
76 equipment in this state used for operating a community antenna

77 television system, or (2) the transmission to subscribers in this state of  
78 video programming by satellite or by a certified competitive video  
79 service provider, as the case may be. No deduction shall be allowed  
80 from such gross earnings for operations related to commissions,  
81 rebates or other payments, except such refunds as arise from errors or  
82 overcharges. On or before the last day of the month next succeeding  
83 each quarterly period, each such person shall render to the  
84 commissioner a return on forms prescribed or furnished by the  
85 commissioner, signed by the person performing the duties of treasurer  
86 or an authorized agent or officer of the system or service operated by  
87 such person, which return shall include information regarding the  
88 name and location within this state of such system or service and the  
89 total amount of gross earnings derived from such operations and such  
90 other facts as the commissioner may require for the purpose of making  
91 any computation required by this chapter.

92 Sec. 503. Section 12-258 of the general statutes is repealed and the  
93 following is substituted in lieu thereof (*Effective October 1, 2007*):

94 (a) Each person included in section 12-256, as amended by this act,  
95 shall be taxed upon the amount of the gross earnings in each quarterly  
96 period from the lines, facilities, apparatus and auxiliary equipment  
97 operated by it in this state, or from the transmission of video  
98 programming by satellite or by a certified competitive video service  
99 provider to this state, as the case may be, at the rates provided in this  
100 section.

101 (b) Gross earnings for any quarterly period, for the purposes of  
102 assessment and taxation, shall be as follows: In the case of a person  
103 carrying on the business wholly within the limits of this state, the  
104 entire amount of the gross earnings subject to the tax imposed under  
105 section 12-256, as amended by this act; in the case of a person also  
106 carrying on the business outside of this state, a portion of the entire  
107 amount of the gross earnings subject to the tax imposed under section  
108 12-256, as amended by this act, apportioned to this state as follows: (1)  
109 In the case of a person operating a community antenna television

110 system, such portion of the total gross earnings from the lines,  
111 facilities, apparatus and auxiliary equipment operated by it as is  
112 represented by the total number of miles of lines operated by such  
113 person within this state on the first day and on the last day of such  
114 quarterly period to the total number of miles of lines operated by such  
115 person both within and without the state on said dates; [and] (2) in the  
116 case of a person operating a business that provides one-way  
117 transmission to subscribers of video programming by satellite, such  
118 portion of the total gross earnings from the transmission to subscribers  
119 in this state as is represented by the total number of subscribers served  
120 by such person within this state on the first day and on the last day of  
121 such quarterly period to the total number of subscribers served by  
122 such person both within and without the state on said dates; and (3) in  
123 the case of a person providing certified competitive video service, such  
124 portion of the total gross earnings from the transmission to subscribers  
125 in this state as is represented by the total number of subscribers served  
126 by such person within this state on the first and the last days of such  
127 quarterly period to the average of the total number of subscribers  
128 served by such person both within and without the state on said dates.

129 (c) The rates of tax on the gross earnings as determined in this  
130 section shall be as follows: (1) Persons operating a community antenna  
131 television system or a certified competitive video service, five per cent  
132 of such gross earnings, reduced by any assessments made pursuant to  
133 section 16-49 which are attributable to the year in which such tax is  
134 assessed; and (2) persons operating a business that provides one-way  
135 transmission to subscribers of video programming by satellite, five per  
136 cent of such gross earnings.

137 Sec. 504. Section 12-80b of the general statutes is repealed and the  
138 following is substituted in lieu thereof (*Effective October 1, 2007*):

139 (a) (1) Each taxpayer described in subsection (a) of section 12-80a  
140 that owns tangible personal property used both to render  
141 telecommunications service subject to tax under chapter 219 and to  
142 render community antenna television service or a certified competitive

143 video service subject to tax under said chapter 219, shall have part of  
144 such property taxed as provided in said section 12-80a and part of such  
145 property exempt from property tax in accordance with section 12-268j.

146 (2) The portion of such property to be taxed as provided in section  
147 12-80a and the portion exempt under section 12-268j shall be  
148 computed, as provided in regulations adopted by the Commissioner of  
149 Revenue Services in accordance with the provisions of chapter 54 on  
150 the basis of the taxpayer's gross receipts from rendering  
151 telecommunications service or a certified competitive video service, as  
152 defined in chapter 219, and from rendering community antenna  
153 television service, as defined in said chapter 219, or on some other  
154 basis permitted under such regulations.

155 (b) (1) Each taxpayer not described in subsection (a) of section 12-  
156 80a that owns tangible personal property used both to render  
157 telecommunications service subject to tax under chapter 219 and to  
158 render community antenna television service or a certified competitive  
159 video service subject to tax under said chapter 219 shall have part of  
160 such property taxed as provided in this chapter, without regard to said  
161 section 12-80a, and part of such property exempt from property tax in  
162 accordance with section 12-268j.

163 (2) The portion of such property to be taxed as provided in this  
164 chapter, without regard to section 12-80a and the portion exempt  
165 under section 12-268j shall be computed, as provided in regulations  
166 adopted by the Commissioner of Revenue Services in accordance with  
167 the provisions of chapter 54, on the basis of the taxpayer's gross  
168 receipts from rendering telecommunications service, as defined in  
169 chapter 219, and from rendering community antenna television service  
170 or a certified competitive video service, as defined in said chapter 219,  
171 or on some other basis permitted under such regulations.

172 (c) For purposes of this section, "assessment year" means the  
173 assessment year under this chapter.

174 Sec. 505. Section 12-268j of the general statutes is repealed and the

175 following is substituted in lieu thereof (*Effective October 1, 2007*):

176 (a) The taxation provided for in chapter 211 upon gross earnings in  
177 any year shall be in lieu of all taxes with respect to such year on (1)  
178 tangible personal property used solely and exclusively in a business so  
179 specified by a company included in section 12-256, as amended by this  
180 act, and (2) for assessment years 2008, 2009 and 2010, all tangible  
181 personal property acquired on or after October 1, 2007, and until  
182 September 30, 2010, to upgrade an existing telecommunications  
183 network, even if the tangible personal property is used solely or in part  
184 in the provision of competitive video programming service, in a  
185 business so specified by a company included in section 12-256, as  
186 amended by this act.

187 (b) The taxation provided for in chapter 211 upon gross earnings in  
188 any year shall be in lieu of all taxes with respect to such year on part of  
189 the tangible personal property that is used both to render  
190 telecommunications service subject to tax under chapter 219 and to  
191 render community antenna television service or a certified competitive  
192 video service subject to tax under chapter 219. The portion of such  
193 property in lieu of which taxation is provided for in chapter 211 and  
194 which is exempt from property tax is determined as provided in  
195 section 12-80b, except as provided in subsection (a) of this section.

196 Sec. 506. Subsection (a) of section 12-407 of the general statutes is  
197 amended by adding subdivisions (38) to (40), inclusive, as follows  
198 (*Effective October 1, 2007*):

199 (NEW) (38) "Certified competitive video service" means video  
200 programming service provided through wireline facilities, a portion of  
201 which are located in the public right-of-way, without regard to  
202 delivery technology, including Internet protocol technology. "Certified  
203 competitive video service" does not include any video programming  
204 provided by a commercial mobile service provider, as defined in 47  
205 USC 332(d); any video programming provided as part of community  
206 antenna television service; any video programming provided as part

207 of, and via, a service that enables users to access content, information,  
208 electronic mail or other services over the Internet.

209 (NEW) (39) "Directory assistance" means an ancillary service of  
210 providing telephone number information or address information.

211 (NEW) (40) "Vertical service" means an ancillary service that is  
212 offered in connection with one or more telecommunications services,  
213 offering advanced calling features that allow customers to identify  
214 callers and to manage multiple calls and call connections, including  
215 conference bridging services.

216 Sec. 507. Subparagraph (L) of subdivision (2) of subsection (a) of  
217 section 12-407 of the general statutes is repealed and the following is  
218 substituted in lieu thereof (*Effective October 1, 2007*):

219 (L) (i) The rendering of community antenna television service, as  
220 defined in subdivision (27) of this subsection, for a consideration on or  
221 after January 1, 1990, exclusive of any such service rendered by an  
222 employee for the employer of such employee.

223 (ii) The rendering of certified competitive video service, as defined  
224 in subdivision (38) of this subsection, as amended by this act, for  
225 consideration on or after October 1, 2007, exclusive of any such service  
226 rendered by an employee for the employer of such employee.

227 Sec. 508. Subdivision (26) of subsection (a) of section 12-407 of the  
228 general statutes is repealed and the following is substituted in lieu  
229 thereof (*Effective October 1, 2007*):

230 (26) (A) "Telecommunications service" means the electronic  
231 transmission, conveyance or routing of [any interactive  
232 electromagnetic communications including but not limited to] voice,  
233 image, data [and] audio, video or any other information [, by means of  
234 but not limited to wire, cable, including fiber optical cable, microwave,  
235 radio wave or any combinations of such media, and the leasing of any  
236 such service. "Telecommunications service" includes, but is not limited

237 to, basic telephone service, including any facility or service provided in  
238 connection with such basic telephone service, toll telephone service  
239 and teletypewriter or computer exchange service, including but not  
240 limited to residential and business service, directory assistance, two-  
241 way cable television service, cellular mobile telephone or  
242 telecommunication service, specialized mobile radio and pagers and  
243 paging service, including any form of mobile two-way  
244 communication] or signals to a point or between or among points.  
245 "Telecommunications service" includes such transmission, conveyance  
246 or routing in which computer processing applications are used to act  
247 on the form, code or protocol of the content for purposes of  
248 transmission, conveyance or routing without regard to whether such  
249 service is referred to as a voice over Internet protocol service or is  
250 classified by the Federal Communications Commission as enhanced or  
251 value added. "Telecommunications service" does not include (i) value-  
252 added nonvoice data services, [in which computer processing  
253 applications are used to act on the information to be transmitted, (ii)  
254 any one-way radio or television broadcasting transmission] (ii) radio  
255 and television audio and video programming services, regardless of  
256 the medium, including the furnishing of transmission, conveyance or  
257 routing of such services by the programming service provider. Radio  
258 and television audio and video programming services shall include,  
259 but not be limited to, cable service as defined in 47 USC 522(6), audio  
260 and video programming services delivered by commercial mobile  
261 radio service providers, as defined in 47 CFR 20, and video  
262 programming service by certified competitive video service providers,  
263 (iii) any telecommunications service (I) rendered by a company in  
264 control of such service when rendered for private use within its  
265 organization, or (II) used, allocated or distributed by a company within  
266 its organization, including in such organization affiliates, as defined in  
267 section 33-840, for the purpose of conducting business transactions of  
268 the organization if such service is purchased or leased from a company  
269 rendering telecommunications service and such purchase or lease is  
270 subject to tax under this chapter, [and] (iv) access or interconnection  
271 service purchased by a provider of telecommunications service from

272 another provider of such service for purposes of rendering such  
273 service, provided the purchaser submits to the seller a certificate  
274 attesting to the applicability of this exclusion, upon receipt of which  
275 the seller is relieved of any tax liability for such sale so long as the  
276 certificate is taken in good faith by the seller, (v) data processing and  
277 information services that allow data to be generated, acquired, stored,  
278 processed or retrieved and delivered by an electronic transmission to a  
279 purchaser where such purchaser's primary purpose for the underlying  
280 transaction is the processed data or information, (vi) installation or  
281 maintenance of wiring equipment on a customer's premises, (vii)  
282 tangible personal property, (viii) advertising, including, but not  
283 limited to, directory advertising, (ix) billing and collection services  
284 provided to third parties, (x) Internet access service, (xi) ancillary  
285 services, and (xii) digital products delivered electronically, including,  
286 but not limited to, software, music, video, reading materials or ring  
287 tones.

288 (B) For purposes of the tax imposed under this chapter (i) gross  
289 receipts from the rendering of telecommunications service shall  
290 include any subscriber line charge or charges as required by the  
291 Federal Communications Commission and any charges for access  
292 service collected by any person rendering such service unless  
293 otherwise excluded from such gross receipts under this chapter and  
294 vertical and directory assistance services; (ii) gross receipts from the  
295 rendering of telecommunications service shall not include any local  
296 charge for calls from public or semipublic telephones; and (iii) gross  
297 receipts from the rendering of telecommunications service shall not  
298 include any charge for calls purchased using a prepaid telephone  
299 calling service, as defined in subdivision (34) of this subsection.

300 Sec. 509. (NEW) (*Effective July 1, 2007*) (a) There is established an  
301 account to be known as the "public, educational and governmental  
302 programming and education technology investment account", which  
303 shall be a separate, nonlapsing account within the General Fund. The  
304 account shall contain any moneys required by law to be deposited in  
305 the account.

306 (b) The moneys in said account shall be expended by the  
307 Department of Public Utility Control as follows: (1) Fifty per cent of  
308 said moneys shall be available to local community antenna television  
309 and video advisory councils; state-wide community antenna television  
310 and video advisory councils; public, educational and governmental  
311 programmers and public, educational and governmental studio  
312 operators to subsidize capital and equipment costs related to  
313 producing and procuring such programming, and (2) fifty per cent of  
314 said moneys shall be available to boards of education and other  
315 education entities for education technology initiatives.

316 (c) The account shall be supported solely through a tax equal to one-  
317 half of one per cent of the gross earnings paid to the state beginning  
318 October 1, 2007, and before October 1, 2009, and a tax equal to one-  
319 quarter of one per cent of the gross earnings paid to the state on or  
320 after October 1, 2009, by each person operating a community antenna  
321 television system under chapter 289 of the general statutes or a  
322 certified competitive video service pursuant to sections 2 to 13,  
323 inclusive, of this act and each person operating a business that  
324 provides one-way transmission to subscribers of video programming  
325 by satellite.

326 (d) On or before October 1, 2007, the Department of Public Utility  
327 Control shall initiate a contested case proceeding to establish eligibility  
328 requirements and procedures for applying for allocations from the  
329 account. On or before April 1, 2008, the department shall issue a final  
330 decision in the contested case proceeding. Such decision shall include  
331 any recommendations to the Governor and the General Assembly that  
332 the department deems necessary with regard to the ongoing operation  
333 of the account.

334 Sec. 510. (NEW) (*Effective October 1, 2007*) Notwithstanding any  
335 provision of the general statutes, any regulation or any decision of the  
336 Department of Public Utility Control, any municipal electric utility,  
337 including its affiliate or subsidiary, which on July 1, 2007, is the holder  
338 of a second franchise to provide community antenna television service

339 in a defined franchise area in the state shall be eligible to be a certified  
340 competitive video service provider for all purposes, regardless of the  
341 technology or technologies used to provide video programming, and  
342 may file an application to the department for a certificate of video  
343 franchise authority pursuant to section 2 of this act. Such certificate, if  
344 granted, shall (1) replace the certificate of public convenience and  
345 necessity to provide community antenna television service previously  
346 issued to such municipal electric utility, its affiliate or subsidiary,  
347 which shall thereafter be subject to the provisions of sections 2 to 12,  
348 inclusive, of this act, (2) not limit the services in addition to video  
349 programming that said certified video service provider may offer  
350 subscribers within its service area footprint, and (3) be expressly  
351 limited to the service area footprint in which the franchise holder is  
352 authorized to provide community antenna television service as of July  
353 1, 2007. The requirements of sections 16-331 to 16-333p, inclusive, of  
354 the general statutes and of any regulations adopted pursuant to said  
355 sections shall not apply unless specifically made applicable to certified  
356 competitive video service providers.

357 Sec. 511. (NEW) (*Effective October 1, 2007*) There is established a  
358 state-wide community antenna television advisory council to assist  
359 local community antenna television advisory councils in the  
360 performance of their functions and disseminate information to local  
361 advisory councils that is relevant to the interests of customers of  
362 community antenna television companies. The state-wide advisory  
363 council shall consist of the following members: (1) Three appointed by  
364 the Governor; (2) two appointed by the speaker of the House of  
365 Representatives; (3) two appointed by the president pro tempore of the  
366 Senate; (4) one appointed by the majority leader of the House of  
367 Representatives; (5) one appointed by the majority leader of the Senate;  
368 (6) two appointed by the minority leader of the House of  
369 Representatives; and (7) two appointed by the minority leader of the  
370 Senate. The term of each member of the state-wide advisory council  
371 shall be coterminous with the term of the appointing authority for said  
372 member. Not later than January 1, 2008, and annually thereafter, the

373 members shall elect a chairperson of said council from among the  
374 members of the council.

375 Sec. 512. Subsection (d) of section 16-331 of the general statutes is  
376 amended by adding subdivision (7) as follows (*Effective October 1,*  
377 *2007*):

378 (NEW) (7) Notwithstanding the provisions of this subsection, if at  
379 any time after the grant of an initial or renewal term of a franchise, the  
380 community antenna television company and the third-party nonprofit  
381 community access provider reach an agreement that the community  
382 antenna television company will provide a capital contribution to such  
383 provider in a mutually agreeable amount solely for the purpose of the  
384 upgrade or replacement of capital equipment, the Department of  
385 Public Utility Control shall grant a two-year extension of such  
386 franchise term, provided the community antenna television company  
387 commits to not pass through said capital contribution in subscriber  
388 rates or community access fees. In a franchise area with more than one  
389 community access provider, an agreement shall be deemed to be  
390 reached when two-thirds or more of the community access providers  
391 within that franchise independently reach agreement with the  
392 community antenna television company. Only those community access  
393 providers reaching agreement shall receive the funding mutually  
394 agreed upon pursuant to this subdivision. Such extension shall not be  
395 a contested case proceeding and shall be applicable to no more than  
396 one time per franchise term.

397 Sec. 513. Subsection (f) of section 16-331 of the general statutes is  
398 repealed and the following is substituted in lieu thereof (*Effective*  
399 *October 1, 2007*):

400 (f) Each applicant for a certificate shall finance the reasonable costs  
401 of a community needs assessment, conducted by an independent  
402 consultant and developed jointly by the department, the Office of  
403 Consumer Counsel, the local advisory council and the applicant,  
404 which assessment shall analyze a community's future cable-related

405 needs and, if applicable, shall provide the department with assistance  
406 in analyzing an operator's past performance, as defined in subsection  
407 (d) of [section 16-333/] this section. The department shall supervise the  
408 assessment and provide the independent consultant with the date  
409 upon which the assessment shall be completed and filed with the  
410 department. Such community needs assessment shall be conducted in  
411 lieu of the requirement in subdivision (12) of subsection (c) of section  
412 16-333-39 of the regulations of Connecticut state agencies. In its final  
413 decision on the application for a certificate, the department shall state  
414 the reasons for not implementing any key recommendations made in  
415 any such needs assessment. The provisions of this subsection shall not  
416 apply to a franchise area which is subject to effective competition, as  
417 defined in 47 USC 543, as from time to time amended, at the time the  
418 application is received by the department.

419 Sec. 514. Subsection (g) of section 16-331 of the general statutes is  
420 repealed and the following is substituted in lieu thereof (*Effective*  
421 *October 1, 2007*):

422 (g) Each certificate of public convenience and necessity for a  
423 franchise issued pursuant to this section shall be nonexclusive, and  
424 each such certificate issued for a franchise in any area of the state  
425 where an existing franchise is currently operating shall not contain  
426 more favorable terms or conditions than those imposed on the existing  
427 franchise. This subsection shall not apply to the length of the term of  
428 such certification as may be determined pursuant to subsection (d) of  
429 this section. A certificate may require a franchise to enter into good  
430 faith negotiations to facilitate community access television  
431 interconnection with an existing or potential competitor franchise.

432 Sec. 515. Subsection (d) of section 16-331a of the general statutes is  
433 repealed and the following is substituted in lieu thereof (*Effective*  
434 *October 1, 2007*):

435 (d) Each company or organization shall conduct outreach programs  
436 and promote its community access services. Such outreach and

437 promotion may include, but not be limited to (1) broadcasting cross-  
438 channel video announcements, (2) distributing information throughout  
439 the franchise area and not solely to its subscribers, (3) including  
440 community access information in its regular marketing publications,  
441 (4) broadcasting character-generated text messages or video  
442 announcements on barker or access channels, (5) making speaking  
443 engagements, [and] (6) holding open receptions at its community  
444 access facilities, and (7) in multitown franchise areas, encouraging the  
445 formation and development of local community access studios  
446 operated by volunteers or nonprofit operating groups.

447 Sec. 516. Subsection (h) of section 16-331a of the general statutes is  
448 repealed and the following is substituted in lieu thereof (*Effective*  
449 *October 1, 2007*):

450 (h) Upon the request of the Office of Consumer Counsel or the  
451 franchise's advisory council, and for good cause shown the department  
452 shall require an organization responsible for community access  
453 operations to have an independent audit conducted at the expense of  
454 the organization. For purposes of this subsection, "good cause" may  
455 include, but not be limited to, the failure or refusal of such  
456 organization (1) to account for and reimburse the community access  
457 programming budget for its commercial use of community access  
458 programming facilities, equipment or staff, or for the allocation of such  
459 facilities, equipment or staff to functions not directly related to the  
460 community access operations of the franchise, (2) to carry over  
461 unexpended community access programming budget accounts at the  
462 end of each fiscal year, (3) to properly maintain community access  
463 programming facilities or equipment in good repair, or (4) to plan for  
464 the replacement of community access programming equipment made  
465 obsolete by technological advances. In response to any such request,  
466 the department shall state, in writing, the reasons for its determination.

467 Sec. 517. Section 16-331a of the general statutes is amended by  
468 adding subsection (o) as follows (*Effective October 1, 2007*):

469 (NEW) (o) Each company or organization shall consult with its  
470 advisory council in the formation of a community access programming  
471 policy, the adoption of the community access programming budget  
472 and the allocation of capital equipment and community access  
473 programming resources.

474 Sec. 518. Section 16-331c of the general statutes is repealed and the  
475 following is substituted in lieu thereof (*Effective October 1, 2007*):

476 Each community antenna television company, as defined in section  
477 16-1, shall annually contribute to the advisory council in its franchise  
478 area an amount not less than two thousand dollars [. An] and to the  
479 state-wide community antenna television advisory council an amount  
480 not less than two hundred dollars. A local advisory council may at its  
481 option receive any or all of its funding through in-kind services of the  
482 community antenna television company. [Each] The state-wide  
483 community antenna television advisory council and each local  
484 advisory council shall annually, on January thirty-first, provide the  
485 Department of Public Utility Control with an accounting of any  
486 funding or services received."